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FEDERAL COMMUNICATIONS COMMISSION OFFICE OF THE SECRETARY

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October 7, 1994

<u>VIA MESSENGER</u>

Mr. William F. Caton Acting Secretary Federal Communications Commission 1919 M Street, N.W., Room 222 Washington, D.C. 20554

Re:

<u>Puerto Rico Telephone Company</u> <u>Petition For Reconsideration</u>

GEN Docket No. 90-314/ET Docket No. 92-100

Dear Mr. Caton:

Transmitted herewith and filed on behalf of Puerto Rico Telephone Company is an original plus eleven (11) copies of its Petition for Reconsideration of the Commission's <u>Second Memorandum Opinion and Order</u> in the above-referenced matter. If you have any questions regarding this filing, please contact the undersigned.

Very truly yours,

Jeffrey L. Timmons

Enclosure

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OCT - 7 1994

Before the FEDERAL COMMUNICATIONS COMMISSION Washington, D.C. 20554

FEDERAL COMMUNICATIONS COMMISSION OFFICE OF THE SECRETARY

In the Matter of)	GEN Docket No. 90-314
)	ET Docket No. 92-100
Amendment of the Commission's)	RM-7617, RM-7760, RM-7782,
Rules to Establish New Narrowband)	RM-7860, RM-7977, RM-7978,
Personal Communications Services)	RM-7979, RM-7980

To: The Commission

PETITION FOR RECONSIDERATION

Respectfully submitted,
PUERTO RICO TELEPHONE COMPANY

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October 7, 1994

TABLE OF CONTENTS

SUMMARY		. ii
INTRODUCT	TION	1
ARGUMENT	`	3
Α.	This Petition For Reconsideration Is Timely And Proper, And Necessary To Protect The Public Interest	3
В.	The Pegasus Petition Was Untimely As To The Narrowband PCS Service Areas, And The Commission Lacked The Authority To Modify The Service Area Definition On Its Own Motion	5
C.	The Public Interest Requires Narrowband PCS Service Areas Established In A Neutral And Impartial Manner	8
D.	One BTA-Like Service Area Reflects The "Natural Flow Of Commerce" In Puerto Rico, And Will Facilitate The Provision Of Lower Cost PCS Service To The Public	9
CONCLUSIO	N	15

SUMMARY

In the <u>Second Memorandum Opinion and Order</u> in the captioned proceeding, the Commission amended its Rules to provide for two BTA-like local service areas for the licensing of narrowband Personal Communications Services ("PCS") in Puerto Rico. The Commission revisited this issue in response to a suggestion by Pegasus Communications, Inc. ("Pegasus"), after adopting a similar amendment of the service areas for broadband PCS.

Restoration of a single BTA-like service area for Puerto Rico is necessary to protect the public interest in the proper functioning of the rulemaking process, and to facilitate the provision of the most efficient and cost-effective narrowband PCS services to the public.

Puerto Rico Telephone Company asserts that the Commission amended the narrowband PCS service area definition well beyond the time in which it may properly act on its own motion; therefore, the Commission should have adhered to the notice and comment procedures required for the adoption or amendment of substantive rules. If the Commission were to decide that acting on its own motion was proper in this instance, the Commission would be opening "Pandora's Box" -- any number of parties could petition the Commission to act on its own motion to amend other PCS service area definitions, upon showings comparable to the showing made by Pegasus.

Furthermore, a single BTA-like service area for Puerto Rico -- as originally adopted by the Commission on a neutral and impartial basis -- would best reflect the way business is conducted on the island, and would best encourage the development of efficient and cost-effective narrowband PCS services.

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To: The Commission

PETITION FOR RECONSIDERATION

Puerto Rico Telephone Company ("PRTC"), by its attorneys, and pursuant to Section 1.429 of the Commission's Rules, 47 C.F.R. § 1.429, respectfully submits this Petition for Reconsideration of the Second Memorandum Opinion and Order¹ in the above-captioned proceeding.

I. INTRODUCTION

In the <u>First Report and Order</u>² in the above-captioned proceeding, the Commission adopted nationwide, regional (based on Major Trading Areas, or "MTAs") and local service areas for licensing narrowband Personal Communications Services ("PCS"). As originally adopted, the local service areas included separate service areas for Puerto Rico and

Amendment of the Commission's Rules to Establish New Narrowband Personal Communications Services, GEN Docket No. 90-314 and ET Docket No. 92-100, Second Memorandum Opinion and Order, FCC 94-218 (released August 25, 1994) ("Second MO&O").

Amendment of the Commission's Rules to Establish New Narrowband Personal Communications Services, GEN Docket No. 90-314 and ET Docket No. 92-100, First Report and Order, FCC 93-329, 8 FCC Rcd 7162, 73 RR 2d 435 (1993)("First Report and Order").

four other insular areas,³ and the 487 Basic Trading Areas ("BTAs") as defined in the Rand McNally 1992 Commercial Atlas & Marketing Guide, 123rd Edition ("Atlas").⁴ In a separate action, the Commission adopted the same BTA and BTA-like service areas for the licensing of broadband PCS.⁵

Nearly three months after the filing deadline for petitions for reconsideration of the <u>First Report and Order</u>, Pegasus Communications, Inc. ("Pegasus") filed a Petition for Reconsideration ("Pegasus Petition"). Pegasus asked the Commission to reconsider the broadband PCS service areas and establish two BTAs for Puerto Rico, and further to establish two BTAs for narrowband PCS in Puerto Rico <u>sua sponte</u>.

Subsequently, in disposing of petitions for reconsideration of the <u>First Report and Order</u>, the Commission added five larger regional service areas for the licensing of narrowband PCS, but did not disturb the BTA and BTA-like local service area definitions (including the one BTA-like service area for Puerto Rico). <u>See MO&O</u> at ¶¶ 13-14. However, after an April 4, 1994 <u>ex parte</u> presentation by Pegasus ("Ex Parte"), the Commission modified the Rules to

³ American Samoa, Guam, Northern Mariana Islands and United States Virgin Islands.

⁴ See First Report and Order at ¶ 27 (to be codified at 47 C.F.R. § 99.12(c), see Appendix A attached to First Report and Order). On reconsideration, the Commission described Puerto Rico and the four other island areas as "insular areas" to be treated and licensed separately as "BTA-like" areas. See Amendment of the Commission's Rules to Establish New Narrowband Personal Communications Services, GEN Docket No. 90-314 and ET Docket No. 92-100, Memorandum Opinion and Order, FCC 94-30, 9 FCC Rcd 1309, 74 RR 2d 822 at n.5 (1994) ("MO&O")(to be codified at 47 C.F.R. § 99.102(d), see Appendix A attached to MO&O).

⁵ Amendment of the Commission's Rules to Establish New Personal Communications Services, GEN Docket No. 90-314, Second Report and Order, FCC 93-451, 8 FCC Rcd 7700, 73 RR 2d 1477 at ¶¶ 73-77 (1993)("Second Report and Order").

provide for two BTA-like service areas for Puerto Rico, first for broadband PCS⁶ and then for narrowband PCS. See Second MO&O at ¶ 17-18.

PRTC petitions for reconsideration of this action on several grounds. First, PRTC asserts that the Commission's action amending the narrowband PCS service area definitions violated certain fundamental procedural requirements applicable to rulemaking proceedings. Second, restoration of the one BTA service area definition, originally adopted on a neutral and impartial basis, is necessary to protect the public's interest in the fairness and impartiality of the Commission's processes. Finally, PRTC demonstrates that one BTA-like service area for Puerto Rico best reflects local patterns of trade and the natural flow of commerce, and would best serve the public interest by encouraging efficient and cost-effective narrowband PCS services.

II. ARGUMENT

A. This Petition For Reconsideration Is Timely And Proper, And Necessary To Protect The Public Interest

Section 1.429(i) of the Commission's Rules provides, in pertinent part, that:

Any order disposing of a petition for reconsideration which modifies rules adopted by the original order is, to the extent of such modification, subject to reconsideration in the same manner as the original order.

47 C.F.R. § 1.429(i). In this case, the modification of the narrowband PCS service areas for

⁶ See Amendment of the Commission's Rules to Establish New Personal Communications Services, GEN Docket No. 90-314, Memorandum Opinion and Order, FCC 94-144, 75 RR 2d 491 at ¶ 79 (released June 13, 1994)("Broadband MO&O"). PRTC timely filed a Petition for Reconsideration of the Broadband MO&O, regarding the broadband PCS service areas for Puerto Rico, on July 25, 1994 ("PRTC Petition"); the PRTC Petition is currently pending before the Commission.

Puerto Rico by the <u>Second MO&O</u> is clearly a matter subject to reconsideration. Moreover, Commission precedent makes clear that Section 1.429 "contains no requirement that parties not participating in earlier stages of [a notice and comment rulemaking] proceeding make a showing as to why they did not participate." <u>See FM Channel Assignments</u>, 49 RR 2d 703, 705 at n.5 (Broadcast Bureau 1981). Therefore, provided it otherwise complies with Section 1.429, PRTC may properly petition for reconsideration of such a modification; to preclude this petition would render meaningless the provision of Section 1.429(i) cited <u>supra</u>, and would be contrary to precedent.

Pursuant to Section 1.429(d) of the Commission's Rules, petitions for reconsideration of a final action in a rulemaking proceeding (and any supplements thereto) must be filed within 30 days from the date of public notice of such final action. See 47 C.F.R. § 1.429(d). For these purposes, "public notice" is defined as the date of publication in the Federal Register. See 47 C.F.R. § 1.4(b)(1). Public notice of the Commission's action in the Second MO&O was published in the Federal Register on September 7, 1994, see 59 Fed. Reg. 46195 (1994); accordingly, this petition for reconsideration is timely if filed prior to October 7, 1994.

Among other lines of business, PRTC is an existing paging licensee, offering service throughout the island of Puerto Rico, and is interested in bidding for narrowband PCS licenses (for paired channels and/or unpaired response channels) for Puerto Rico. Accordingly, PRTC is an interested party as required by Section 1.429(a). See 47 C.F.R. § 1.429(a). By this petition, PRTC requests that the Commission reconsider the service areas adopted for licensing narrowband PCS in Puerto Rico, and that the Commission restore the one BTA-like service area as originally adopted, on a neutral and impartial basis, in the First Report and

Order. See 47 C.F.R. § 1.429(c).

To the extent that new facts may be presented herein, PRTC asserts that the Commission must consider the facts and arguments presented herein in order to protect the public interest. See 47 C.F.R. § 1.429(b)(3); see also Additional Private Radio Service, 1 FCC Rcd 5, 6, 61 RR 2d 276, 279 (1986)(reconsideration allowed on new facts "when the Commission determines that subsequent consideration is required to protect the public interest"). As will be more fully developed below, the Commission must consider any such new facts presented in order to protect the public interest by (i) adhering to the proper rules of practice and procedure in rulemaking proceedings, regarding the finality of Commission actions and the opportunity for public comment prior to the modification of a substantive rule; (ii) ensuring the fairness, reasonableness and impartiality of Commission rulemaking proceedings; and (iii) restoring the narrowband PCS service areas which best reflect local patterns of trade and the natural flow of commerce in Puerto Rico, and which will facilitate the provision of efficient and lower cost narrowband PCS services to the public.

B. The Pegasus Petition Was Untimely As To The Narrowband PCS Service Areas, And The Commission Lacked The Authority To Modify The Service Area Definition On Its Own Motion

As discussed above, Section 1.429(d) of the Commission's Rules requires that petitions for reconsideration of a final action in a rulemaking proceeding must be filed within 30 days from the date of public notice (defined as the date of publication in the Federal Register) of such final action. See supra at 4. Public notice of the Commission's action in the First Report and Order was published in the Federal Register on August 11, 1993, see 58 Fed. Reg.

42681 (1993); consequently, any petitions for reconsideration were due September 10, 1993. The Pegasus Petition was filed on December 8, 1993, and therefore was untimely in regards to the <u>First Report and Order</u>. Accordingly, the Commission could not properly have modified the narrowband PCS service areas in response to the Pegasus Petition.

The Commission also lacked the authority to amend the narrowband PCS service area definition sua sponte. First, similar to the restriction on petitions for reconsideration from interested parties, the Commission generally may only reconsider an action on its own motion within 30 days from the date of public notice of such action. See 47 C.F.R. § 1.108. To proceed on its own motion in this instance, the Commission would have been required to act by September 10, 1993. The Commission did not modify the narrowband PCS service areas, however, until August 16, 1994 -- nearly one year after the deadline for acting on its own motion.

Second, the amendment was not a rule change of the type enumerated in Section 1.412(b) of the Commission's Rules, which the FCC may adopt without prior notice. See 47 C.F.R. § 1.412(b). Far from being an interpretive rule, a general statement of policy, a rule of practice and procedure, or one of the other permissible changes, the change in the narrowband PCS service area definition was an amendment of a substantive rule, which requires prior notice pursuant to Section 1.412(a). See 47 C.F.R. § 1.412(a). Had the proper notice been given (e.g., a statement including the nature of the proceeding and the substance of the proposed rule, see 5 U.S.C. § 553(b)(1)-(3), see also 47 C.F.R. § 1.413), PRTC would have

⁷ PRTC is puzzled why the Commission, if it intended to act on its own motion in response to the Pegasus Petition, did not do so in adopting the <u>MO&O</u> on February 3, 1994, in which the Commission addressed all other pending narrowband PCS service area issues.

had a fair opportunity to comment on the proposed rule change.

Third, the rule change could not have been adopted pursuant to Section 1.412(c) of the Commission's Rules, 47 C.F.R. § 1.412(c), which allows the Commission to adopt rule changes without notice for good cause shown, where public notice would be impracticable, unnecessary or contrary to the public interest. To act pursuant to Section 1.412(c), the Commission must state the basis for its finding of good cause in its decision. <u>Id.</u> The <u>Second MO&O</u> lacks any such statement that the rule change was adopted without notice for good cause shown. <u>See Second MO&O</u> at ¶¶ 17-18. In fact, it appears that the FCC acted in response to the untimely Pegasus Petition. <u>Id.</u>

Since the Commission may not claim that it acted in a matter in which notice and comment were not required, the Commission should have issued an appropriate notice of proposed rulemaking. See § 1.412(a). If the Commission had proceeded properly, PRTC would have had adequate notice of the proposed change, and an opportunity to file comments prior to any action. At a minimum, since the Commission considered its change of the broadband PCS service areas in the Broadband MO&O when considering whether to change the narrowband PCS service areas, the Commission should have addressed the issues raised in the PRTC Petition, rather than merely mentioning the PRTC Petition in passing in a Second MO&O footnote. See 47 C.F.R. § 1.425.8

⁸ Section 1.425 provides: "The Commission will consider all relevant comments and material of record before taking final action in a rulemaking proceeding and will issue a decision incorporating its finding and a brief statement of the reasons therefor." The PRTC Petition was of record in the proceeding, CC Docket No. 90-314, and was relevant to the issue of the split of the Puerto Rico BTA.

C. The Public Interest Requires Narrowband PCS Service Areas Established In A Neutral And Impartial Manner

MO&O, and reversal of the decision to create two BTA-like service areas for Puerto Rico, to protect the public interest in the fairness and impartiality of the rulemaking process. Specifically, PRTC maintains that the public interest demands that PCS service areas established on an impartial basis, rather than gerrymandered to suit the needs of one specific party -- Pegasus. When the Commission originally defined license areas for PCS, it did not consider or favor the special geographic service area needs or requests of any given party. Rather, the Commission adopted the 487 BTAs defined by Rand McNally, on a neutral and independent basis, as PCS service areas. Similarly, for areas within the Commission's jurisdiction but not covered by the Atlas, such as Puerto Rico, the BTA-like service areas were originally defined by the Commission without favoritism to any party, based on "insular" areas.

PRTC asserts that it is unreasonable and fundamentally unfair for the Commission to define PCS service areas which favor the needs of particular potential bidders, ¹⁰ and urges the Commission to protect the public interest in the fairness and impartiality of the Commission's

⁹ The Commission licensed "five insular areas," including Puerto Rico as well as American Samoa, Guam, Northern Mariana Islands, and the U.S. Virgin Islands, as BTA-like areas. <u>See</u> 47 C.F.R. § 99.13, as published in the <u>Second Report and Order</u>, Appendix A at 20-21.

PRTC notes that the geographic area proposed by Pegasus for the Mayaguez/Aguadilla-Ponce BTA happens to encompass the Pegasus' cable television franchise area, and would appear to favor any PCS plans that Pegasus may have. See, e.g., Pegasus Petition at 6 (where Pegasus argued that two BTAs would be "consistent with the county assignments made by the Puerto Rico Public Service Commission in the 1980's in establishing cable television franchise areas"). The self-serving nature of the Pegasus proposal was thinly-veiled; Pegasus went so far as to state that its proposed division "has the added feature of not impairing any existing cable television operations that might want to participate in PCS licensing." Id.

processes by restoring the definition of the PCS service areas for Puerto Rico to one BTA-like license as originally adopted on an impartial basis in the <u>Second Report and Order</u>. The Commission considered and rejected smaller fragmented service areas and special interests when adopting rules for PCS, and should do so now.¹¹

Furthermore, PRTC urges the Commission to carefully consider the precedent established by the <u>Second MO&O</u>; having rearranged the PCS service areas in one geographic area (Puerto Rico) to suit the needs of one petitioner, the Commission is inviting similar petitions from other vested interests, from cable television operators to cellular licensees to paging operators, throughout the Commission's jurisdiction. Under this precedent, any such parties could petition the Commission, either informally or in <u>ex parte</u> presentations, to act <u>sua sponte</u> to redefine almost any BTA, without initiating a notice and comment rulemaking proceeding.

D. One BTA-Like Service Area Reflects The "Natural Flow Of Commerce" In Puerto Rico, And Will Facilitate The Provision Of Lower Cost PCS Service To The Public

In the <u>Second MO&O</u>, the Commission stated that it would be desirable to modify the narrowband PCS service areas in the same manner as the broadband PCS service areas. <u>See Second MO&O</u> at ¶ 18. As justification, the Commission cites the population of Puerto Rico and the two proposed BTA-like service areas, and the "patterns of local trade caused by the

¹¹ See Second Report and Order at ¶¶ 73-74 (rejecting smaller PCS service areas based on MSAs and RSAs due to the "unnecessary fragmentation of natural markets," and listing benefits of larger service areas, such as roaming, reduced cost of interference coordination and microwave relocation, and simplified coordination of technical standards, among other benefits).

mountainous terrain of the island."12 Id.

Before demonstrating how one local service area best reflects the "patterns of local trade" or the "natural flow of commerce" in Puerto Rico, based on population, the terrain and/or other appropriate factors, PRTC again urges the Commission to carefully consider the potential effect of arbitrarily redrawing BTA service area definitions based on such factors. PRTC cautions that under the Commission's rationale, interested parties could make an infinite number of showings regarding the patterns of trade, population, terrain or other factors which would support splitting any BTA (or MTA, for that matter) as convincingly as the split of the local service area for Puerto Rico.¹³ The Commission properly avoided consideration of such special interests and gerrymandering in originally adopting the service area definitions for PCS, and should do so now.

However, in the event the Commission decides to separately consider facts specific to Puerto Rico, PRTC submits the following information. Contrary to the representations in the Pegasus Petition and Ex Parte on which the Commission relied, the "patterns of local trade" depicted by Pegasus did not accurately reflect the actual patterns of local trade in Puerto Rico, and the mountainous terrain does not affect such patterns to an extent

¹² The Commission also noted how the cellular licensing scheme (based on Metropolitan Statistical Areas, or MSAs, and Rural Service Areas, or RSAs) compared with the PCS licensing scheme, see Second MO&O at n.25, but did not discuss the relevance of this comparison.

¹³ For example, if population is properly a determining factor a strong showing could be made that BTA 51, Boston, Massachusetts -- which at about 3500 square miles and a 1990 population of over 4 million persons is comparable to Puerto Rico in geographic size and population -- should be split into two BTAs. Similarly, if mountainous terrain is indicative of "patterns of local trade," a strong showing could be made to split BTA 110, Denver, Colorado, in which a geographic area more than ten times the size of Puerto Rico is divided by the Rocky Mountains.

which justifies two local service areas for Puerto Rico.

The Commission has recognized that BTAs, and presumably the BTA-like service areas originally adopted for Puerto Rico and other insular areas, are "based on the natural flow of commerce." See Second Report and Order at ¶ 73; see also Atlas at 39. Boundaries are determined based on factors such as "physiography, population distribution, newspaper circulation, economic activities, highway facilities, railroad service, suburban transportation, and field reports of experienced analysts." Id.

The physical geography of Puerto Rico reflects a single market; it is an insular area which is, roughly speaking, one hundred miles long by thirty five miles wide. Its geographic area of 3435 square miles would place it among the smaller BTAs in the country. Although the approximately 3.5 million population of Puerto Rico would place it among the more populous BTAs, see Second MO&O at ¶ 18, it is "population distribution," and not population alone, that should be considered in defining service areas. The population distribution for Puerto Rico, based on population and geographic area, is comparable to other BTAs. San Juan is the capital and largest city in Puerto Rico, with a population of about 750,000, with the remaining population of approximately 2.8 million inhabitants distributed equally throughout the island.

Contrary to the Commission's findings, the mountainous terrain does not alter the

The 1990 census population for Puerto Rico was 3,522,037, in a 3435 square mile geographic area. For comparison, BTA 51, Boston, Massachusetts, had a 1990 population of 4,133,895 in a geographic area of 3505 square miles; and BTA 293, Miami-Fort Lauderdale, Florida, had a 1990 population of 3,270,606 in a geographic area of 4150 square miles. See Atlas at 44 (population) and 369 (square miles per county); Public Notice, Report No. CW-94-02 at 7, 28 (released September 22, 1994)(counties in BTAs).

patterns of local trade or "make the proposed division [of the BTA] economically and geographically desirable," <u>id.</u>, nor does the terrain create difficulties, technical¹⁵ or economic, for potential licensees or their subscribers. <u>Id.</u> at ¶ 17; <u>see also Broadband MO&O</u> at ¶ 79. Although the mountains did make travel difficult at one time, infrastructure improvements after World War II and the construction of a modern highway system¹⁶ in the 1960's have encouraged the development of an island-wide economy today. Nearly all passengers, and the vast majority of cargo, arrives in Puerto Rico at San Juan's international airport and modern port facility, ¹⁷ and from there travelers and goods in commerce are transported throughout the island via the highway system. In contrast, the ports of Ponce and Mayaguez handle relatively little traffic, and are not independent economic centers in their own right.

In addition, other major "economic activities" for the entire island are centered in San Juan, which further reflects the island-wide pattern of trade and commerce. All major banks in Puerto Rico are centered in San Juan, with branches in other parts of the island. The Government of Puerto Rico, as well as all of its major departments and agencies which provide services and impact the economy throughout the island, sits in San Juan. Newspaper circulation, a factor explicitly considered by the Commission and Rand McNally in establishing BTAs, is

¹⁵ In fact, from a technical perspective the mountainous terrain facilitates engineering a system to provide island-wide coverage; for example, the transmitters of existing paging licensees are on towers located in the mountains, providing coverage to all areas of Puerto Rico.

¹⁶ A 1991 map of Puerto Rico, issued by the Department of Transportation (a copy of which is attached to and filed with the original copy of this petition), depicts primary highways which encircle and intersect the island, as well as secondary and tertiary highways which provide ready access to all areas of the island.

¹⁷ According to the Puerto Rico Ports Authority, approximately 70% of all cargo movement is through San Juan area facilities.

island-wide, with each of the three major newspapers¹⁸ published and distributed island-wide on a daily basis.

In addition to newspaper circulation, other forms of mass media (all of which affect economic activities through information distribution, advertisements, and other means) provide service on an island-wide basis, evidence of local recognition of the island-wide market.¹⁹ The three major local television stations²⁰ are based in San Juan and provide news and advertisement coverage throughout the island.

Finally, the restoration of a single BTA-like local service area would facilitate the development of efficient and lower cost narrowband PCS services in Puerto Rico, thereby serving the public interest. As the Commission has recognized throughout this proceeding, larger service areas will provide economies of scale and eliminate many of the problems which may occur with smaller service areas.²¹ A single service area would allow licensees to serve a greater number of end users with the same infrastructure, equipment, marketing and personnel.

¹⁸ El Nuevo Día and El Vocero are the principal Spanish-language newspapers, and <u>The San Juan Star</u> is the principal English-language newspaper.

of its primary market, and the articles or programming may be of interest to some parties outside the primary market, the content which affects economic activities (such as advertising and local information) are targeted to the primary market. For example, even though <u>The Washington Post</u> may be available on a same-day basis in other distant cities, the vast majority of the advertisement is targeted to the Washington, D.C. market. Similarly, even though much of the television programming in the United States originates in New York or Los Angeles, some of the advertisements and all local interest programming is targeted to the primary local market.

²⁰ Telemundo (Channel 2), WAPA-TV (Channel 4), and TeleOnce (Channel 11).

See MO&O at ¶¶ 13-14; First Report and Order at ¶ 26; and Amendment of the Commission's Rules to Establish New Personal Communications Services, GEN Docket No. 90-314 and ET Docket No. 92-100, Notice of Proposed Rulemaking and Tentative Decision, FCC 92-333, 7 FCC Rcd 5676, 5699-70 at ¶¶ 56-60 (1992).

The resulting engineering and cost efficiencies will yield lower prices and better service coverage for Puerto Rico consumers, throughout the island.

Furthermore, existing paging licensees²² currently provide island-wide services; a two BTA service area plan may leave some new narrowband PCS licensees at a severe disadvantage. In addition, retaining two BTAs would result in narrowband PCS response channel licenses which would not reflect the markets of the existing paging licensees, the very parties which the Commission intended to benefit by establishing response channel licenses.²³

²² Currently there are at least seven existing paging licensees providing island-wide service in Puerto Rico. The largest is TPI/Motorola, with an estimated market share of 44%; followed by Celpage and Beepers Telefonica (a PRTC affiliate), each with approximately 27% of the market. The other four existing paging licensees (Mr. Beeper, North Communication Beeper, Pronto Beeper, and Metro Beeper) share the remaining approximately 3% market share.

²³ See First Report and Order at ¶ 27; MO&O at ¶ 26.

III. <u>CONCLUSION</u>

WHEREFORE, for the reasons set forth herein, PRTC respectfully requests that the Commission reconsider its decision to create two BTA-like service areas in Puerto Rico for the licensing of narrowband PCS and reinstate the previously adopted definition of one BTA-like license for Puerto Rico.

Respectfully submitted,

PUERTO RICO TELEPHONE COMPANY

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October 7, 1994

CERTIFICATE OF SERVICE

I, Vanessa Duffy, hereby certify that on this 1 th day of October, 1994, copies of the foregoing "PETITION FOR RECONSIDERATION" have been served by hand delivery or first class United States mail, postage prepaid, upon the following:

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90-314

Map Submitted by Puerto Telephone Company